

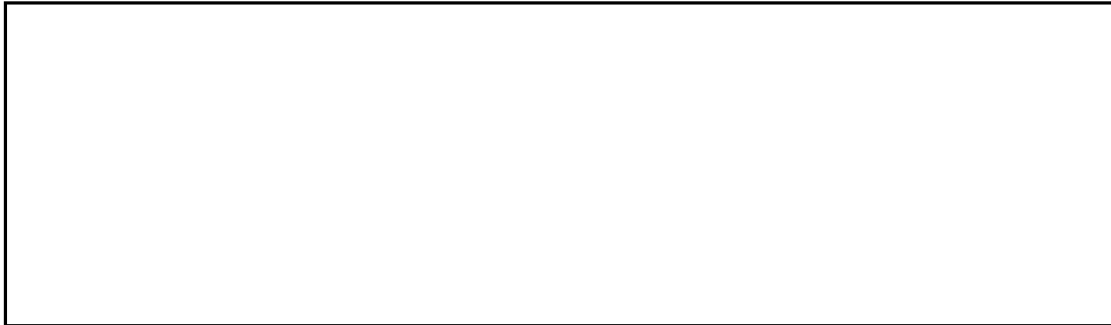
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Women's Demonstrations In Cyprus on Sunday

Rival demonstrations by opposing women's groups in Cyprus Sunday have the potential to become violent.

A group of foreign and Greek Cypriot women plan to hold a demonstration on the cease-fire line south of Famagusta to protest Turkish noncompliance with the UN resolution calling for the safe return of refugees to their homes. Turkish Cypriot women have responded by scheduling a counter-demonstration for the same time and place to protest past injustices at the hands of the Greek Cypriots.

According to the US embassy in Nicosia, the women demonstrators in the Greek Cypriot sector, many of whom are British wives of Cypriot citizens, will be addressed by prominent foreign personalities, including two female British parliamentarians. Part of the group, which could number several thousand, will then advance toward the Turkish lines to petition the Turkish military commander for permission to enter Famagusta.

A Turkish refusal to grant the women entry is anticipated and UN officials are concerned that some of the marchers may try to break through the Turkish lines and precipitate an incident. UN personnel are therefore attempting to arrange a meeting between representatives of the two opposing groups in "no-woman's land" between the Greek and Turkish lines. It is hoped the demonstrators will return peacefully to their respective sectors after the meeting.

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Restrained Reaction to British Government's
Budget

Reaction by the trade unions and the Labor party's left wing to the government's tight budget announced earlier this week has been generally restrained. Leaders of both groups apparently have decided not to add to the tension in the party, which is already at a high pitch over the EC membership issue. Prime Minister Wilson and Chancellor of the Exchequer Healey, however, may come under fire at the special party conference on April 26 and certainly at the regular conference this fall.

The reaction of the trade union leaders was as varied as their ideologies. Communists and left wingers, such as Mick McGahey and Hugh Scanlon, bitterly attacked the budget and they and others suggested that it meant the end of the social contract. Some moderates admitted that Healey's admonitions that excessive wage increases would lead to unemployment may be correct. Len Murray, head of the Trades Union Congress, took a balanced view but also remarked that "Britain's problems could not be solved by passive acceptance of higher unemployment."

The union leaders appear to have decided to stress the positive aspects of the budget, and will press the government for larger training programs and various social measures. One spokesman said that since the government's two budgets last year met the unions' demands, he believed the unions could accept this one setback.

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The unions are not likely to heed Healey's warning to restrain their wage demands, particularly because the budget boosts income taxes by six percent and probably will raise the cost of living by nearly three percent over the next three months. Reinforcing Healey's point, the government announced after the budget message that the annual rise in wage rates over the past year was 31.5 percent while retail prices increased only about 20 percent.

Labor members of parliament are expected to support the government when the budget comes up for its final vote on April 21, although some left-wing members have described it as "unsocialist" and are disturbed at its implications for increased unemployment and the future of the social contract.

As in the vote on the government's recommendation to stay in the EC, Wilson may find that he has secured passage of his program with Tory support--good for his plans but bad for his party standing. The Tories appear to be so involved with the pre-referendum campaign that they do not have the time or energy to expand on the budget and intend only to dispute a few of its provisions.

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Mitterrand to Visit Moscow -- Maybe

The Socialist party executive committee voted on April 16 that party chief Francois Mitterrand should accept the latest Soviet invitation and visit Moscow on April 23-30. The Soviets surprised the Socialists earlier this month by withdrawing an invitation only five days before Mitterrand was scheduled to arrive in Moscow and just after he had been officially assured that he would meet with Brezhnev.

Mitterrand's trip--originally set up after he formed an alliance with the French Communists in 1972--was postponed twice before by the Soviets: in 1972 because of the French politician's acrimonious public debate with the Soviet Ambassador in Paris over Czechoslovakia and Soviet Jews, and last February because the Soviet leaders were alleged to have other commitments. Mitterrand himself had postponed it in early 1974 because of President Pompidou's death and the subsequent election campaign.

In accepting the invitation, the Socialists are reported to have decided that Shelepin's ouster provided a suitable justification for publicly accepting the Soviet line that it's leaders had been too busy to hold the visit as scheduled. The party was pleasantly surprised by the public outburst over the postponement among the French--even non-Socialists--who are always sensitive to slights by foreign governments. The Socialists exploited the situation by a carefully planned set of leaks to the press and some embassies stressing their calm approach to the Soviet rebuff and their confidence that a

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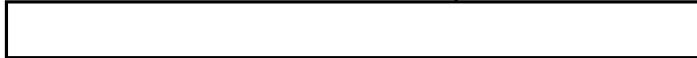
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"proper" time for a trip would be found. Mitterrand himself decided to cap the exploitation by a "statesmanlike" acceptance of the new dates.

Nevertheless, Socialist officials are letting it be known that they still believe that the postponement could have been either the work of the French government, which they suspect, did not want a Mitterrand visit so close on the heels of Prime Minister Chirac's trip, or the result of a Soviet desire to humiliate Mitterrand, of whom they have never approved.

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Tax Reform and Political Violence Likely
Election Issues in Italy

Christian Democratic leader Fanfani's effort to use tax reform to bolster his party's chances in the June 15 nationwide local elections has put the Moro government in a difficult position.

Fanfani is trying to force a change in Italy's tax law before the April 30 filing deadline in a maneuver calculated to give many voters a last-minute tax break. He wants to rewrite the provision that compels all wage earners in a single household to file a joint return. The tax would be smaller for many lower and middle-income individuals, if members of a household could file separate returns.

Finance Minister Visentini--a member of the Republican Party--is threatening to resign if Fanfani's proposals go through. The finance minister, whose party prides itself on economic expertise, admits there are inequities in the law but maintains that changes made so close to the filing deadline would interfere with collections, disrupt government planning, and add to the confusion of taxpayers. He wants Fanfani to honor an earlier agreement among the governing parties to postpone a thorough revision of the law until after this year's filing deadline.

Fanfani, however, has intimated that he is willing to risk a government crisis on the issue, which, combined with the finance minister's resignation threat, adds up to trouble for Prime Minister Moro. In order to keep his government intact, Moro must strike a compromise that saves face for his finance minister while satisfying Fanfani's electoral aims.

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Moro is a master at finding common ground, and several factors are working in his favor. No politician wants to go into the elections bearing the onus for a government collapse. The finance minister's party, in particular, cannot risk losses--the Republicans usually average only 2-3 percent--and does not relish defending the unpopular tax law on the eve of elections.

In addition, by provoking a government crisis Fanfani would probably lose Moro's crucial support within the Christian Democratic leadership. The loss of Moro's support would make it difficult for Fanfani to hold on to his position as party leader in the face of continuing attacks on him by Christian Democratic left-wingers.

Meanwhile, a new round of political violence, touched off by the murder this week of a left-wing student by neo-fascist elements in Milan, promises to keep law-and-order a major issue in the election campaign. Small-scale clashes between police and extremists have become routine, but the Milan killing sparked a demonstration by a reported 30,000 left-wingers that proved difficult for the authorities to control. Violence was also reported in several other cities yesterday at anti-fascist demonstrations sponsored by organized labor to protest the Milan incident.

If violence on this scale occurs frequently between now and the June elections, it could have a polarizing influence as left and right-wing elements seek to blame each other for the disturbances.

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